GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2330
ANSWERED ON:17.08.2006
COST ESCALATION OF FIGHTER PLANES
Patle Shri Shishupal Natthu;Shiwankar Shri Maha Deo Rao

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has made any assessment in regard to the likely escalation in the cost of fighter planes to be purchased for the Indian Air Force till the finalization of purchase deal as reported in the Rashtriya Sahara dated July 18, 2006;

(b) if so, the facts thereof;

(c) the details of countries with which such purchase deals have been delayed;

(d) the escalation registered in cost of such planes due to delay in finalization of the deals; and

(e) the steps being taken by the Government in this regard?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (e): The purchase of fighter aircraft required for the Air Force is currently made in terms of the provisions of Defence Procurement Procedure, 2005 which includes an offset clause in contracts with an indicative cost of Rs. 300 crore or more. This procedure envisages a time frame of two to three years for conclusion of contracts in such major purchases.